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SECRET

The Director of Central Intelligence

EX. REGISTRY

Washington, D.C. 20505

Intelligence Community Staff

DCI/ICS-83-3357
28 March 1983

MEMORANDUM FOR: Senior Interagency Group (Intelligence)

FROM: [redacted] 25X1
Executive Secretary, SIG(I)

SUBJECT: SIG(I) Meeting - 11 March 1983 25X1

1. The attached report from the Director of Central Intelligence (DCI) to the Assistant to the President for National Security Affairs is forwarded for your information.

2. At the direction of the DCI, this report stands as the Chairman's summary of the SIG(I) meeting held on 11 March 1983 concerning Counter-intelligence and Countermeasures. The draft minutes in which you have concurred will be retained by the Executive Secretary for the record.

25X1 [redacted]

Attachment:
As Stated

Distribution:
Attorney General
Deputy Secretary of State
Deputy Secretary of Defense
Chairman, Joint Chiefs of Staff
Director, Federal Bureau of Investigation
Director, National Security Agency
Director, Defense Intelligence Agency
Director, Intelligence Community Staff

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SUBJECT: SIG(I) Meeting - 11 March 1983

DCI/ICS-83-3357

Distribution:

1 - DCI
1 - DDCI
1 - Executive Registry
1 - Office of the Vice President (Mr. Don Gregg)
25X1 1 - Executive Secretariat [redacted]
1 - IG/WG (RADM Showers) (cover memo only)
1 - SIG(I) Subject
1 - SIG(I) Chrono
1 - Secretariat Staff Registry
1 - ICS Registry

25X1 ES/SIG(I) [redacted] (25 Mar 83)

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The Director of Central Intelligence

Washington, D.C. 20505

25 March 1983

The Honorable William P. Clark
Assistant to the President for
National Security Affairs
The White House
Washington, D.C. 20500

Dear Bill:

This is a further progress report on the work of the Senior Interagency Group (Intelligence) [SIG(I)] in developing implementation of the policy and legal actions identified in the NSSD-2 study to counter the hostile intelligence threat. Of the 106 recommended actions, 72 are resource actions on which a strong beginning has been established in the FY-84 budget and guidance for the FY-85 budget.

Of the 34 policy and legal measures recommended in the NSSD-2 study, 12 were assigned to an Interagency Group for Counterintelligence (IG/CI) chaired by FBI Director Webster and 22 to an Interagency Group for Countermeasures (IG/CM) chaired by General Stilwell.

The SIG(I) has unanimously approved seven proposals developed by the IG/CI to limit the hostile presence in the United States. They are indicated at Tab 1. A proposed NSDD developed by the IG/CM to control foreign civil overflights of the United States is at Tab 2. These are forwarded with my approval and endorsement.

The IG/CI developed ten other proposals to limit the hostile presence. All of these proposals on limiting the hostile presence are analyzed in depth in a study submitted for your information at Tab 3. A consensus was not achieved on these measures with most of the members desirous of taking full action to reduce the hostile threat, State holding that if implemented at this time the merit of these actions would be outweighed by their adverse

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At Tab 5, I enclose a report on the status of 11 other projects assigned to the IG/CI.

At Tab 6, there is a report on the status of 15 other proposals assigned to IG/CM.

You will note that recommendations on several of these proposals are promised over the next few weeks and they will promptly, where appropriate, be brought before the SIG(I) for deliberation and forwarded to you.

The organizational phase of the NSSD-2 study has been under way in the IG/CI and IG/CM since January. Their work is scheduled for completion in May and their recommendations will be promptly considered by the SIG(I) and reported to you for appropriate action.

Yours,

William J. Casey

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Ltr to Judge Clark

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1 - DCI
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25X1 ES/SIG(I) [redacted] (22 March 1983)
25X1 Retyped CCIS/ICS:dmf [redacted] (24 March 1983)

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TAB 1

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REPORT ON IG/CI ACTIVITIES

The NSSD-2 Study, "Capabilities Against the Hostile Intelligence Threat, 1983-1988," identified 106 policy, legal or resource actions intended to enhance U.S. Government capabilities in this vital area. Of the 106 actions, 34 are policy and legal actions, and 72 are resource actions. The IG/CI took cognizance of all the CI-related resource actions and additionally undertook action on 12 of the 34 policy or legal issues.

Resource Actions

The Study recommendations immediately impacted favorably on the FY83 budget in that they permitted us to support Congressional interest in providing additional manpower for the FBI foreign counterintelligence activities, which was successfully accomplished. Thereafter, the IG/CI applied the resource recommendations to a review of the FY84 program budget to ensure inclusion of those resource actions recommended in the Study. Inasmuch as all of the resource issues could not be accommodated within one program budget, additional action was taken to incorporate the remaining resource issues into guidance for development of the FY85 program budget.

Actions to Limit Hostile Presence

The first of the 12 policy and legal actions and the next major undertaking of the IG/CI was preparation of a study responding to the

[redacted] 25X1

[redacted] This study resulted in development of 17 25X1
action proposals. The study has been the subject of two SIG(I) meetings, and the status of these actions is being reported separately in some detail.

Policy and Legal Actions

The IG/CI undertook study or implementation action on the remaining 11 policy or legal recommendations. Of these actions, those which have been resolved at the IG/CI level or are properly within the purview of another study forum are:

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Counterintelligence Organizational Study

Organizational studies called for in the NSSD-2 directive were initially deferred. In January 1983 the IG/CI was directed to undertake a review of the legal, guideline, structural, and organizational impediments to achieving required capabilities for detecting, analyzing, and countering the foreign intelligence threat. This study is now actively under way and completion is expected during May 1983. The study will be provided to the SIG(I) upon completion.

The study will examine in detail all aspects of the current counterintelligence structure and existing relationships among agencies; possible alternative organizational arrangements will be examined as a basis for recommending the most effective operational and analytical mechanisms.

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TAB 6

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REPORT ON IG/CM ACTIVITIES

The NSSD-2 Study, "Capabilities Against the Hostile Intelligence Threat, 1983-1988," identified 106 policy, legal or resource actions intended to enhance U.S. Government capabilities in this vital area. Of the 106 actions, 34 are policy and legal actions, and 72 are resource actions. Of the 34 policy and legal issues, 22 fall within the purview of the IG/CM. As a matter of priority, the IG/CM undertook examination of 17 of these recommendations. The remaining five issues will be addressed in the near future.

Civil Overflight Security

Review of this issue has resulted in a draft National Security Decision Directive (NSDD) approved by the SIG(I) and submitted separately to the NSC recommending issuance by the President. The NSDD will establish an Overflight Security Committee and procedures necessary to effectively control civil aircraft of hostile countries attempting to overfly U.S. airspace.

Unauthorized Disclosures of Classified Information

This issue was of major concern to the IG/CM, which strongly endorsed the Willard Report and its recommended National Security Decision Directive (NSDD) as a generally acceptable solution to the problem. At the SIG(I) meeting on 11 March, the NSC representative advised that the NSDD had been signed by the President. It was publicly released that afternoon.

Policy and Legal Actions

The IG/CM undertook study or implementation action on the remaining 15 policy and legal recommendations. Of these actions, those which have been resolved at the IG/CM level or which are properly within the purview of another study forum are:

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Countermeasures Organizational Study

Organizational studies called for in the NSSD-2 directive were initially deferred. In January 1983 the IG/CM was directed to undertake a review of the legal, guideline, structural, and organizational impediments to achieving required capabilities for detecting, analyzing, and countering the foreign intelligence threat. This study is now actively under way and completion is expected during May 1983. The study will be provided to the SIG(I) upon completion.

The study will examine in detail all aspects of the current countermeasures structures existing and relationships among agencies; possible alternative organizational arrangements will be examined as a basis for recommending the most effective operational and analytical mechanisms.

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